




April 09, 2025

THE LONG PULL: Valuing IDR's REE Assets

IDR is the perfect company for today's World Order. It's a producing (and profitable) gold miner with the US's most extensive REE land package. Check out some headlines from the past week.

 Reuters

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China placed export restrictions on rare earth elements on Friday as part of its sweeping response to U.S. President Donald Trump's tariffs,...

4 days ago

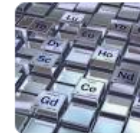



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1 day ago



But whenever people ask about valuing Idaho Strategic's (IDR) Rare Earth Element (REE) assets, I tell them, "I don't know, and I don't care because that's Blue Sky Potential. It's gravy."

That's a horrible answer, so let's change it.

There's a growing probability that China will use its stranglehold on REEs as a tariff negotiation chip, making domestic supply even more important.

This *Long Pull* aims to (finally) value IDR's REE land package. We'll examine peer valuations, generate resource estimates, and determine how little we're paying for those assets versus the company's gold business.

Let's get after it!

IDR's REE Asset Breakdown

The company has three REE land packages:

1. Diamond Creek

100% owned with 244 unpatented claims over 4,900 acres of public land administered by USFS. Diamond Creek has a plan of operations for an underground mine with vein-style mineralization in place.

According to IDR's latest 10-K, there are at least eight known veins, ranging in width from 0.15 m to 7.6 m in thickness. The Project also consists of four distinct areas identified from north to south: Contact, Lucky Gem, Simer, and Frank Burch.

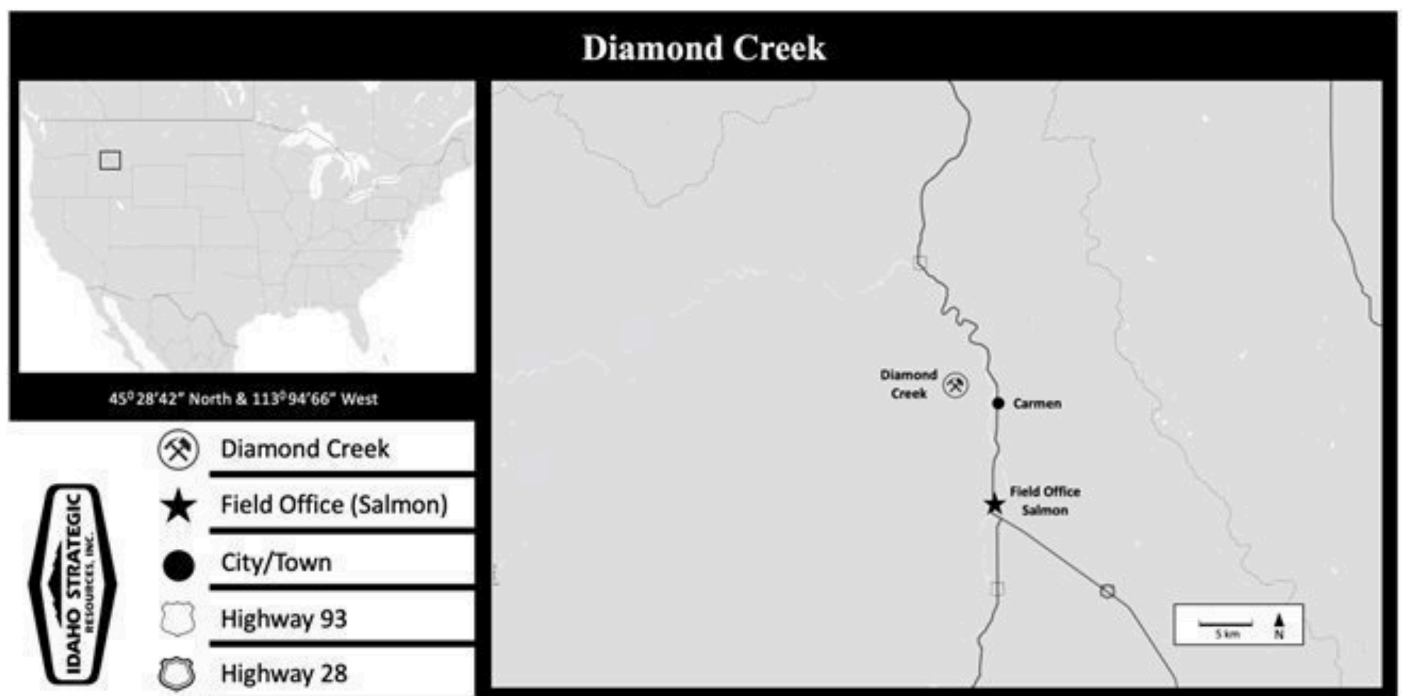


Figure 4 – Diamond Creek Project Location Map

The USGS drilled Diamond Creek in 1979 with impressive results: REE oxide content ranged from 0.59% - 5.5%, with up to 11.9g/t of gold.

IDR completed a 12-hole drill program in 2022 reaffirming the land's REE endowment. Highlights included 11.3m of 1.3% Total Rare Earth Oxide (TREO) and 1.1m of 2.2% TREO.

Results also included 32 continuous meters of 1.28% TREO with 2.0% TREO at 8m and 12m.

2. Lemhi Pass

100% owned with a State Lease over 565 acres and 658 unpatented claims across 11,425 acres for a total of ~12,000 acres. Lemhi Pass is on public land administered by the State of Idaho, BLM, and USFS. They still need a Plan of Operations for an underground/open pit operation with vein-style mineralization.

Miners historically explored Lemhi Pass for gold and copper. It wasn't until 1949 that the USGS realized Lemhi possessed REE and thorium, vital ingredients for nuclear power. However, the government left most of the land package completely unexplored.

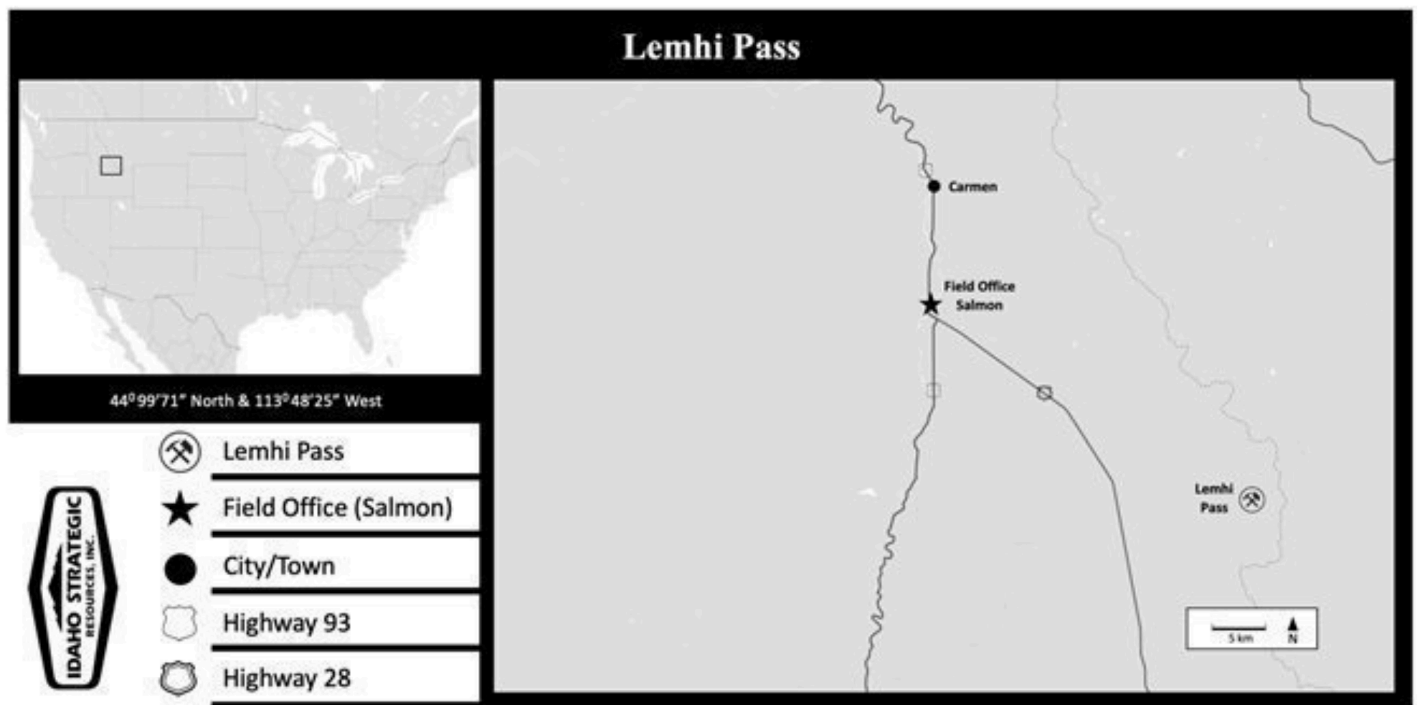


Figure 6 – Lemhi Pass Project Location Map

According to IDR's 10-K, samples taken by the USGS of 31 vein samples showed TREO contents ranging from 0.073% to 2.20%.

The company conducted surface and trench sampling from 2021 to today, revealing TREO grades of 0.67% to 5%+.

In 2023, IDR announced [Magnet REE Concentrations in Excess of 70%](#) (see table below).

In-Trust Prospect		MS81h															CP61	TREE	TREE	
Lemhi Pass District		Ce	Dy	Er	Eu	Gd	Ho	La	Lu	Nd	Pr	Sm	Tb	Tm	Yb	Y	Sc			
sample	trench	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
98336	#2	3200	128	50	238	366	21	445	5	10200	1420	1450	27	6	36	647	28	18266	1.83	
98337	#2	1415	111	51	140	249	20	194	5	4690	637	805	21	7	38	612	28	9022	0.90	
98338	#2	1615	117	50	144	254	20	212	5	5150	719	842	22	7	39	624	28	9848	0.98	
98340	#2	1550	123	56	132	239	22	230	5	4710	663	779	22	8	41	701	28	9307	0.93	
98341	#2	3330	194	83	254	437	34	479	7	10050	1415	1515	38	10	56	1045	24	18971	1.90	
98344	#2	3350	176	74	244	396	30	511	7	9890	1430	1445	34	9	52	939	27	18616	1.86	
98345	#2	2020	145	64	162	295	28	328	6	6030	840	963	26	8	47	805	30	11795	1.18	
98346	#2	1720	124	57	124	252	23	319	5	4890	686	809	23	8	43	693	39	9814	0.98	
98348	#3	1925	16	5	80	92	2	100	1	5830	804	709	5	1	4	58	29	9660	0.97	
98349	#3	1590	25	8	84	122	4	101	1	5510	727	688	6	1	6	112	41	9026	0.90	
98350	#3	3510	50	14	183	239	7	305	1	10050	1440	1375	14	2	10	175	26	17401	1.74	
98351	#3	2590	31	11	116	139	5	159	2	7450	1080	894	8	2	10	137	47	12679	1.27	
98352	#3	5800	113	38	361	519	16	433	4	19400	2700	2790	30	5	31	499	59	32798	3.28	
98353	#3	5000	94	32	331	512	13	365	4	15800	2240	2400	28	4	25	414	55	27317	2.73	

The 2023 news release explains, “The 13 samples in the table below assay up to 3.28% total rare earths (TREE) and average 1.5% TREE. Of note, are very strong enrichments of neodymium (Nd), praseodymium (Pr), samarium (Sm), and dysprosium (Dy). These elements are used in the manufacture of rare earth permanent magnets and are among the most valued of all the rare earth elements (REEs).”

Lemhi Pass has all the stuff China banned in a massive (and unexplored) 12,000-acre land package.

3. Mineral Hill

100% owned with 109 unpatented claims across 2,200 acres of public land administered by USFS (still needs a Plan of Operations). Mineral Hill will also be an underground operation extracting from a vein-style mineralization.

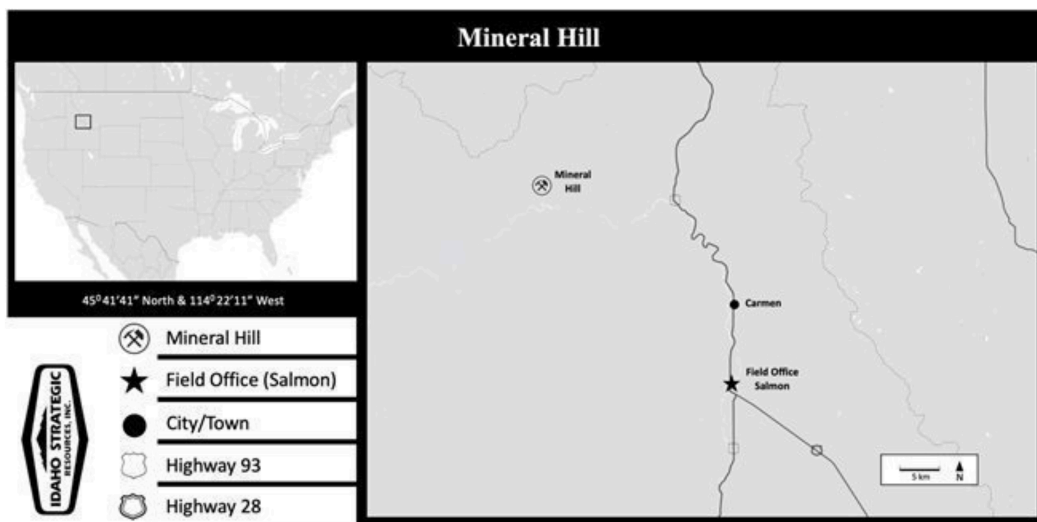


Figure 5 – Mineral Hill Project Location Map

Like Lemhi Pass, explorers originally prospected Mineral Hill for gold and copper in the 1900s. The USGS and the Idaho Geological Survey discovered REE mineralization in the 1950s during the US government's rush for nuclear power.

The 10-K states that the first carbonatite can be found in a northwest-trending seam that measures approximately 400 meters (1,300 feet) long and 90 meters (300 feet) wide; the second occurrence appears to be a smaller carbonatite plug, measuring about 200 meters in diameter.

Mineral Hill has some of IDR's land package's highest TREO % grades. The company reported 34%+ TREO from surface sampling with 3% neodymium. Recent samplings also confirmed 8.8g/t+ gold and 0.50% niobium.

This reaffirms the [historical sample results](#) of 21.5% TREO confirmed in 1954.

These projects span a **70-mile northwest-trending REE-Th Belt** and position IDR as a major domestic player in critical mineral exploration.

Now that we have the background out of the way, let's create some *preliminary* resource estimates.

My “Way Too Early” REE Resource Estimate

Here's a quick refresher on how to generate a Resource Estimate. You need four variables to calculate it:

1. **Mineralized Area:** Acreage converted into meters squared (m^2).
2. **Volume:** Mineralized Area multiplied by the Depth of the resource (how far below the surface in meters. We'll use 30m).
3. **Tonnage:** Volume multiplied by Specific Gravity ($2.5t/m^3$, average for the type of geology).
4. **Contained Resource (or TREO):** Tonnage multiplied by average grade.

Since this is a “way too early” resource estimate, we should make two discounts:

1. **Mineralized Area Discount:** The percentage of the total mineralized area that will eventually be mined. We'll use 25%.
2. **Resource Stage Discount:** Early-stage exploration should trade at a discount to projects with feasibility studies because there are more unknowns (we'll use 0.3x).

You got all that? Good. Let's estimate each of IDR's REE land packages.

Resource Estimate Calculations

Diamond Creek:

- **Mineralized Area:** 4,550 acres (18.4m²) x Mineralized Area Discount (0.25) = **4.6Mm²**
- **Volume:** 4.6Mm² x Depth (30m) = **138.1Mm³**
- **Tonnage:** 138.1Mm³ x Specific Gravity (2.5t/m³) = **345Mt**
- **Contained TREO:** 345.3Mt x Average Grade (1.28%) = **4.42Mt TREO**

Total Contained TREO at Diamond Creek: 4.42Mt

Lemhi Pass:

- **Mineralized Area:** 12,000 acres (48.6m²) x Mineralized Area Discount (0.25) = **12.1Mm²**
- **Volume:** 12.1Mm² x Depth (30m) = **364.2Mm³**
- **Tonnage:** 364.2Mm³ x Specific Gravity (2.5t/m³) = **910.5Mt**
- **Contained TREO:** 910.5Mt x Average Grade (1.5%) = **13.66Mt TREO**

Total Contained TREO at Lemhi Pass: 13.66Mt

Mineral Hill:

- **Mineralized Area:** 2,200 acres (8.9m²) x Mineralized Area Discount (0.25) = **2.22Mm²**
- **Volume:** 2.22Mm² x Depth (30m) = **66.78Mm³**
- **Tonnage:** 66.78Mm³ x Specific Gravity (2.5t/m³) = **167Mt**
- **Contained TREO:** 167Mt x Average Grade (1.5%) = **2.5Mt TREO**

Total Contained TREO at Mineral Hill: 2.5Mt.

Here's the full breakdown of total TREO and its \$/t based on IDR's current market cap.

IDR Market Cap	\$202.38	
Land Package	TREO (Mt)	\$/t
Diamond Creek	4.42	\$45.79
Lemhi Pass	13.66	\$14.82
Mineral Hill	2.5	\$80.95
Total	20.58	\$9.83

We used a lot of conservative assumptions in our TREO resource estimates.

For instance, we assumed that 25% of the mineralized area would be economic. We also assumed a 30m depth when peers with similar geology have depths of 50m+. Finally, we used an average TREO grade of 1.5% when all land packages boasted grades ranging from 5% to 34%+.

However, the above calculation **does not include** IDR's thorium resource, which is estimated at **82.5Kt** (assuming industry average 58ppm thorium content).

Now, let's compare IDR's REE assets to its peers to see just how cheap it is.

Breaking Down IDR's REE Valuation: Peers & Gold Business

Let's use Rare Element Resource (REEMF) as an initial benchmark. REEMF owns the Bear Lodge deposit in Wyoming.

It's a terrific deposit: 7.92Mt TREO at 3.05% grade with a completed feasibility study.

The company has a **\$388M market cap or ~\$49/t TREO**.

REEMF deserves to trade at a premium to IDR because of a) higher grades and b) advanced development. If built, the Bear Lodge mine would run for 38 years with a pre-tax NPV of \$2.9B.

I added two more REE-focused public comps to get a clearer picture of where IDR falls in the valuation spectrum:

- American Rare Earths (ASX: ARR)
- Peak Rare Earths (ASX: PEK)

You can see the full valuation breakdown below.

Valuation Comps	REEMF	IDR	ARR	PEK
Total TREO	7.92	20.58	7.48	4.6
Grade	3.50%	1.50%	0.32%	2.15%
Market Cap	\$388.00	\$201.29	\$83.00	\$21.00
\$/t TREO	\$48.99	\$9.78	\$11.10	\$4.57
IDR Discount	80.04%	0.00%	11.86%	-114.24%

But remember – that valuation **does not include** IDR's gold production business.

This is where things get interesting.

Suppose we value IDR's gold business at ~5x current profits (conservative given its growth profile, AISCs, average grades, and profit margins, but let's go with it).

That's ~\$53M for the current gold production and ~\$153M for the REE assets and future gold growth prospects.

At \$153M, the market is valuing the REE assets at \$7.43/t TREO. REEMF trades at \$49/t TREO. **That's an 85% discount!**

What Should IDR's REE Assets Be Worth?

I can't avoid the "I don't know response entirely. Because I really don't know what value the market should place on IDR's REE assets. They're early-stage explorations with tons of unknowns.

However, IDR has a few things going for it:

1. It's in a Tier-1 jurisdiction
2. They don't need to dilute shareholders to expand exploration
3. The geology has above-average grades
4. REEs are quickly becoming Nationally Strategic (read: priceless)

What happens if we value IDR at a 50% discount to REEMF's Bear Lodge deposit or \$24.5/t TREO?

That would value IDR's REE assets at **\$504M or 250% higher than the current market cap** ... with the profitable gold business thrown in for free!

IDR Potential Valuation	25% Discount	50% Discount	75% Discount
Implied \$/t TREO	\$36.74	\$24.49	\$12.25
Implied Market Value	\$756.16	\$504.11	\$252.05
Premium to Current MC	375.66%	250.44%	125.22%

Conclusion: The Blue Sky Is Enormous

This is why I'm so bullish on IDR. The company has plenty of shots on goal to 5-10x their market cap over the next 5-10 years.

You're paying \$0 for an REE asset that could be worth \$250-\$750M.

And you get a gold business with a pathway to 60,000oz of annual production in a rising gold environment in a Tier-1 jurisdiction with world-class management.